The New Straits Times Press (M) Bhd & Anor v Admal Sdn Bhd

COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO W-02(IPCV)(W)-134–06 OF 2012
MOHD HISHAMUDIN, ALIZATUL KHAIR AND ANANTHAM KASINATHER JJCA
9 APRIL 2013

Copyright — Infringement — Works eligible for copyright — Collaboration between appellants and respondent to jointly run English Spelling Competition based on concept paper titled NST Spell it Right did not materialise into joint venture — Appellants and RHB put in place spelling competition titled RHB-NST Spell it Right — Whether NST Spell it Right was eligible for copyright protection — Whether NST Spell it Right merely compilation of already existing information widely available in public domain — Whether evidence showed that there was any originality behind concept of NST Spell it Right — Whether trial judge failed to take into account 'functional object' behind competitions of this nature — Whether trial judge erred in ruling that appellants had copied NST Spell it Right concept — Whether trial judge erred in applying 'commonplace' test to exclude similarities in both concepts

The New Straits Times Press (M) Bhd ('the first appellant') and the respondent had intended to jointly run a programme to organise an English spelling competition amongst the first appellant's readers, with the first appellant as the main sponsor. During negotiations the respondent presented the concept paper, which was the concept behind the competition, to which it later coined the title NST Spell it Right. The appellants had also provided their own input which was incorporated into the respondent's concept paper. However, following the coining of the title, the respondent caused its directors to swear a statutory declaration claiming copyright in the concept paper titled NST Spell it Right. The collaboration between the appellants and the respondent did not materialise into a joint venture. After the joint venture between the appellants and the respondent was aborted, the appellants worked with RHB to put in place their own spelling competition known as the RHB-NST Spell it Right. The first appellant then successfully applied to register the name 'RHB-NST Spell it Right' as a trademark. The respondent claimed that the concept behind RHB-NST Spell it Right, which incorporated features contained in the NST Spell it Right, was a copyright infringement. Hence the respondent commenced legal proceedings against the appellants for copyright infringement and breach of confidence. The trial judge found that the respondent was the owner of the NST Spell it Right concept paper and that the RHB-NST Spell it Right concept paper was substantively similar to the NST

Spell it Right concept. Consequently, the trial judge ordered judgment in favour of the respondent. This led to the present appeal by the appellants. It was the appellants' case that the NST Spell it Right, which merely contained the rules governing a spelling competition, was not eligible for copyright protection. In any event the appellants were of the view that the NST Spell it Right was not the sole work of the respondent, in that, it included the ideas and the skill and efforts of the appellants as well. The appellants also argued that even if the NST Spell it Right concept was eligible for copyright protection, the appellants were not guilty of having infringed the copyright because there was no substantial copying. The appellants argued that any similarity in the structure between the NST Spell it Right and the RHB-NST Spell it Right at the general level should have been disregarded by the trial judge when determining whether the appellants had substantially copied the NST Spell it Right. The respondent strongly refuted the appellants' submission that the structure of the NST Spell it Right was commonplace and that there were material differences between the two. The respondent also submitted that the competition concept was conveyed to the first appellant in confidence and that the latter could not use the information without the respondent's permission.

Held, allowing the appeal with costs of RM40,000:

(1) The trial judge had erred in identifying the issue concerning the NST Spell it Right concept as one of ownership only. The more critical issue was whether the concept behind the NST Spell it Right was eligible for copyright protection. It is common ground that s 7 of the Copyright Act 1987 sought to protect ideas which had been converted 'inter alia' to literary or artistic works by reason of the application of sufficient work to make the ensuing product original in character. This was to prevent the copying of an existing concept that enjoyed copyright protection. The evidence adduced in the present case showed that the NST Spell it Right was nothing more than a compilation of already existing information widely available in the public sphere. As such, it was necessary for the respondent to demonstrate those features that were the result of its efforts so as to satisfy the originality test. However, the evidence showed that there was no originality behind the concept of NST Spell it Right beyond that which was already available in the public domain. Although the trial judge had implicitly recognised this to be the case, she resolved the issue in favour of the respondent because the respondent had coined the title and had sworn the statutory declaration claiming copyright (see paras 20–22).

(2) The trial judge also failed to take into account the 'functional object' behind competitions of this nature. Applying the principles of law governing the 'functional object' test to the NST Spell it Right concept, it was clear that the concept was not eligible for copyright because it contained features that related to every competition of this nature to be

held among students residing and schooling in different parts of the country. Further, this was a common event and the rules and regulations governing it were fairly commonplace (see paras 23–25).

(3) The trial judge also erred in ruling that the appellants had copied the NST Spell it Right concept. It is common ground that in determining whether there had been copying it had to be shown that there had been substantial copying of the concept as opposed to plenty of copying. However, a great number of similarities in the concept of the RHB-NST Spell it Right competition produced by the appellants and the NST Spell it Right concept were general matters that were common to all competitions of this nature. The inclusion of the common features could not amount to copying. Thus, the trial judge had erred in not applying either the 'functional object' test or the 'commonplace' test to exclude such similarities in both concepts (see paras 25–27)

(4) Additionally, the trial judge totally disregarded the contributions of the appellants in the formulation of the NST Spell it Right concept, which was a fact that was admitted by the respondents own witnesses. Neither did the trial judge evaluate the differences in the two concepts. If the trial judge had taken these factors into consideration she would have in all probability ruled in favour of the appellants. In the circumstances, the High Court judgment ought to be set aside (see paras 27–28).

(5) Since the concept behind the NST Spell it Right was simple and commonplace, it did not enjoy the necessary quality of confidence to justify judicial protection (see para 27).

[Bahasa Malaysia summary

The New Straits Times Press (M) Bhd ('perayu pertama') dan responden berniat untuk sama-sama menjalankan satu program untuk menganjurkan satu pertandingan ejaan Bahasa Inggeris dalam kalangan pembaca-pembaca perayu pertama, dengan perayu pertama penganjur utama. Semasa perbincangan responden mengemukakan kertas konsep, yang merupakan konsep di sebalik pertandingan, yang kemudiannya diberikan tajuk 'NST Spell it Right'. Perayu-perayu juga memberikan input mereka yang dimasukkan ke dalam kertas konsep responden. Walau bagaimanapun, berhubung tajuk yang diberikan, responden meminta pengarah-pengarahnya untuk membuat perakuan deklarasi statutori mendakwa hak cipta di dalam kertas konsep bertajuk 'NST Spell it Right'. Kerjasama antara perayu-perayu dan responden tidak berhasil menjadi satu usaha sama. Selepas usaha sama antara perayu-perayu dan responden dibatalkan, perayu-perayu bekerja dengan RHB untuk mengadakan pertandingan mengeja mereka sendiri yang dikenali sebagai 'RHB-NST Spell it Right'. Perayu pertama kemudiannya berjaya memohon untuk mendaftarkan tajuk 'RHB-NST Spell it Right' sebagai satu tanda dagangan. Responden mendakwa bahawa konsep di sebalik 'RHB-NST

Spell it Right' yang memasukkan ciri-ciri yang terkandung di dalam 'NST Spell it Right', merupakan satu perlanggaran hak cipta. Oleh itu responden memulakan prosiding-prosiding undang-undang terhadap perayu-perayu untuk perlanggaran hak cipta dan pecah kepercayaan. Hakim perbicaraan mendapati bahawa responden merupakan pemilik kertas konsep 'NST Spell it Right' dan bahawa kertas konsep 'RHB-NST Spell it Right' secara substantifnya sama dengan konsep 'NST Spell it Right'. Berikutan dengan itu, hakim perbicaraan mengarahkan penghakiman berpihak kepada responden. Ini membawa kepada rayuan oleh perayu-perayu. Kes perayu-perayu adalah bahawa 'NST Spell it Right' yang hanya mengandungi peraturan-peraturan mengenai satu pertandingan mengeja, tidak layak untuk perlindungan hak cipta. Dalam mana-mana keadaan, perayu-perayu berpendapat bahawa 'NST Spell it Right' bukan merupakan hasil kerja responden semata-mata, di dalamnya termasuk idea-idea dan skil dan usaha perayu-perayu juga. Perayu-perayu juga menghujah bahawa meskipun konsep 'NST Spell it Right' layak untuk perlindungan hak cipta, perayu-perayu tidak bersalah melanggar hak cipta kerana tidak terdapat peniruan secara asas. Perayu-perayu menghujah bahawa sebarang persamaan di dalam struktur antara 'NST Spell it Right' dan 'RHB-NST Spell it Right' pada peringkat umumnya tidak perlu diambil kira oleh hakim perbicaraan apabila menentukan sama ada perayu-perayu telah meniru 'NST Spell it Right' secara asas. Responden dengan tegas mencabar hujahan perayu-perayu bahawa struktur 'NST Spell it Right' adalah perkara biasa dan bahawa terdapat perbezaan material antara kedua-duanya. Responden juga menghujah bahawa konsep pertandingan diberitahu kepada perayu pertama secara rahsia dan bahawa perayu pertama tidak boleh menggunakan maklumat tersebut tanpa kebenaran responden.

Diputuskan, membenarkan rayuan dengan kos RM40,000:

(1) Hakim perbicaraan terkhilaf dalam mengenal pasti isu berhubung konsep 'NST Spell it Right' bagai satu milikan sahaja. Isu yang lebih kritikal ialah sama ada konsep di sebalik 'NST Spell it Right' adalah layak untuk perlindungan hak cipta. Adalah merupakan dasar asas bahawa s 7 Akta Hak Cipta 1987 dipohon untuk melindungi idea-idea yang telah diubah, antara lainnya, kepada karya kesusasteraan atau kesenian dengan alasan permohonan kerja yang mencukupi dilakukan untuk memastikan produk yang berikutnya bersifat asli. Ini adalah untuk menghalang meniru konsep sedia ada yang dilindungi hak cipta. Keterangan yang dikemukakan dalam kes ini menunjukkan bahawa 'NST Spell it Right' tidak lebih daripada kompilasi maklumat sedia ada yang terdapat dalam bidang awam. Oleh itu, adalah penting untuk responden menunjukkan ciri-ciri yang merupakan hasil usahanya untuk memenuhi ujian keaslian. Walau bagaimanapun, keterangan menunjukkan bahawa tiada keaslian di sebalik konsep 'NST Spell it Right' melebihi pada yang sedia ada di dalam bidang awam. Walaupun hakim perbicaraan secara diam-diam

menyedari ini adalah hal sebenarnya, beliau menyelesaikan isu dengan berpihak kepada responden kerana responden telah meletakkan tajuk dan membuat deklarasi statutori menuntut hak cipta (lihat perenggan 20–22).

(2) Hakim perbicaraan juga gagal untuk mengambil kira 'tujuan berfungsi' di sebalik pertandingan-pertandingan bersifat sebegini. Dengan menggunakan prinsip undang-undang behind yang mentadbir ujian 'tujuan berfungsi' kepada konsep 'NST Spell it Right', adalah jelas bahawa konsep tersebut tidak layak untuk hak cipta kerana ia mengandungi ciri-ciri yang berkaitan dengan setiap pertandingan yang bersifat sebegini yang diadakan dalam kalangan pelajar-pelajar yang tinggal dan bersekolah di beberapa bahagian berlainanan di negara ini. Seterusnya, ini merupakan acara kebiasaan dan undang-undang dan peraturan yang mengawalnya adalah perkara biasa (lihat perenggan 23–25).

(3) Hakim perbicaraan juga terkhilaf dalam memutuskan bahawa perayu-perayu telah meniru konsep 'NST Spell it Right'. Dasar asas dalam menentukan sama ada terdapat peniruan ialah dengan menunjukkan terdapat peniruan konsep secara asas berbanding dengan banyak peniruan. Walau bagaimanapun, beberapa persamaan dalam konsep pertandingan 'RHB-NST Spell it Right' yang dihasilkan oleh perayu-perayu dan konsep 'NST Spell it Right' merupakan perkara-perkara umum yang menjadi kebiasaan kepada semua pertandingan yang bersifat sebegini. Kemasukan ciri-ciri umum bukanlah peniruan. Oleh itu, hakim perbicaraan terkhilaf dengan tidak menggunakan sama ada ujian 'tujuan berfungsi' atau ujian 'kebiasaan' untuk mengecualikan persamaan-persamaan tersebut dalam kedua-dua konsep (lihat perenggan 25–27).

(4) Selanjutnya, hakim perbicaraan tidak mengambil kira sepenuhnya sumbangan-sumbangan perayu dalam menggubal konsep 'NST Spell it Right', yang merupakan satu fakta yang diakui oleh saksi-saksi responden sendiri. Hakim perbicaraan juga tidak menilai perbezaan dalam kedua-dua konsep. Sekiranya hakim perbicaraan mengambil kira faktor-faktor tersebut dalam pertimbangan, beliau berkemungkinan memutuskan memihak kepada perayu-perayu. Dalam keadaan ini, penghakiman Mahkamah Tinggi perlu diketepikan (lihat perenggan 27–28).

(5) Memandangkan konsep di sebalik 'NST Spell it Right' adalah ringkas dan perkara biasa, ia tidak mempunyai kualiti yang meyakinkan untuk menjustifikasikan perlindungan kehakiman (lihat perenggan 27).]

Cases referred to

Catnic Components Ltd v Hill and Smith Ltd [1979] FSR 619, CA (refd)
Dato' Vijay Kumar Natarajan v Choy Kok Mun [2010] 7 MLJ 215, HC (refd)

Elster Metering Ltd & Anor v Damini Corp Sdn Bhd & Anor [2011] 8 MLJ 253, HC (refd)
Flamelite (S) Pte Ltd& Ors v Lam Heng Chung & Ors [2001] 3 SLR (R) 610, CA (folld)
Fraser and others v Thames Television Ltd and others [1984] 1 QB 44, QBD (refd)
Green v Broadcasting Corporation of New Zealand [1989] RPC 469, CA (refd)
Kiwi Brands (M) Sdn Bhd v Multiview Enterprises Sdn Bhd [1998] 6 MLJ 38; [1998] 2 CLJ Supp 194, HC (folld)
Microsoft Corporation v Yong Wai Hong [2008] 3 MLJ 309, CA (refd)
Robin George Le Strange Meakin v British Broadcasting Corporation & 2 Ors [2010] EWHC 2065 (Ch), Ch D (refd)

Legislation referred to

Copyright Act 1987 ss 7, 7(3), 42

Appeal from: Commercial Suit No D221P-20 of 2011 (High Court, Kuala Lumpur)

Liew Teck Huat (Rishwant Singh and Lim Qi Si with him) (TH Liew & Partners) for the appellants.
Isa Aziz Ibrahim (Darren Malis with him) (Ranjit Ooi & Robert Low) for the respondent.

Anantham Kasinather JCA (delivering judgment of the court):

BACKGROUND FACTS

[1] Sometime in the later part of 2004 or early 2005, the first appellant had certain discussions with the respondent with regards the formation of a joint venture to organise an English spelling competition amongst its readers. The negotiations were centered around the parties jointly running a programme with the first appellant as the main sponsor. The understanding at that time being that the first appellant was to be only one of many sponsors. In the course of the discussions,the respondent presented a paper entitled ABX Spelling Competition ('ABX Version'). The ABX Version was said to have been prepared by one Kamar Azman Kamaruzaman ('PW1'). PW1 did not dispute that the concept behind the spelling competition was derived by him from the American Spelling Bee Competition which he saw on television. During the negotiations, the said Kamar Azman Kamaruzaman held himself out to be the consultant for the respondent.

[2] It is not in dispute that during the course of the negotiations, the appellants provided their own input and this input was incorporated into the original ABX Version. At some point in the negotiations, the respondent

coined the title NST Spell It Right for the ABX Version incorporating the changes suggested by representatives of the appellant. The respondent through PW2 conceded that NST Spell It Right incorporated some of the features suggested by the appellants during the negotiations.

[3] Following the coining of the title, the respondent presumably acting on legal advice caused its directors to swear a statutory declaration claiming ownership of the copyright in the concept paper titled NST Spell It Right (see Vol 2(6) Part C pp 1196–1221). The collaboration of the parties in 2005 did not materialise into a joint venture to implement the competition primarily because the parties were unable to attract sufficient sponsors.

[4] Following the aborting of the joint venture, the appellants put in place their own spelling competition after encountering better success with sponsors. This competition introduced in 2008 involved the appellants working with RHB resulting in the competition being known as the RHB-NST Spell It Right. The first appellant then successfully applied to register the name 'RHB-NST Spell It Right' as a trademark. The respondent did not take kindly to the first appellant working with RHB and the registration of the trademark. The respondent commenced these proceedings claiming copyright infringement and breach of confidence on the part of the of the appellants by a writ filed on 3 May 2011. The alleged infringement being that the concept behind RHB-NST Spell It Right incorporated features contained in the NST Spell It Right.

[5] On the conclusion of the trial, the learned trial judge ordered judgment in favour of the respondent in terms of prayers (c)–(e) of the statement of claim and further ordered assessment of damages to follow in accordance with prayers (a)–(b) of the statement of claim.

THE APPELLANTS' CASE

[6] Learned counsel for the appellants submitted that copyright protection is not afforded for an idea. Learned counsel further submitted that to obtain copyright protection the applicant must be able to demonstrate that skill and labour has been expended to prepare the written work. Learned counsel conceded that a compilation of information is eligible for copyright protection although the information is not original. Based on these principles of law, learned counsel for the appellants submitted that the respondent's NST Spell It Right although capable of registration, is not eligible for copyright protection.

[7] The basis for this non-eligibility submitted learned counsel was that the NST Spell It Right merely contained the rules governing a spelling competition. According to counsel, there is nothing original in the rules in the

context of a language competition. The concept behind a spelling competition is no different from the concept behind a singing or a debate or a talent show. In other words, that the expression of the idea behind a spelling competition lacked originality. The fact of the matter, according to learned counsel, is that competitions have been around for a long time and all competitions are structured with a high degree of similarity. Accordingly to confer eligibility to copyright to the respondent, contended learned counsel, would effectively preclude entities from undertaking competitions. This is particularly so since the respondents themselves admitted during cross examination that they had copied the idea and concept from the American Spelling Bee Competition (see Vol 2(3) at pp 757–758).

[8] The second line of defence was that,in any event, the concept incorporated in the NST-Spell It Right included the ideas and the skill and efforts of the appellants as well. This product being the refined version of the ABX VERSION initially introduced by the respondent. Learned counsel for the appellants also submitted that under s 7(3) of the Copyright Act 1987, eligibility for copyright pre-supposes that the work is through the sole effort and skill expended by the respondents and this is not the case here. According to learned counsel, although the efforts of the appellants were acknowledged by PW2 during cross-examination at pp 206–207 of *jilid* 2(1), the learned trial judge failed to take this fact into consideration in ruling in favour of the respondent (see the evidence of PW4 at pp 271–272 of *jilid* 2(2)).

[9] The appellants third line of defence was that even if the NST-Spell It Right concept was eligible for copyright protection, the appellants were not guilty of having infringed the copyright. Citing the decision of the Court of Appeal of Singapore in *Flamelite (S) Pte Ltd& Ors v Lam Heng Chung & Ors* [2001] 3 SLR (R) 610 (Tab D) to the following effect:

> It is expressly provided in the Act that to constitute infringement what is copied must be a substantial part of the artistic work. What would constitute substantial part was stated rather eloquently by Bucklet LJ in *Catnic Components Ltd v Hill and Smith Ltd* [1979] FSR 619 at pp 626–627 as follows:
>
> > I do not question the principle that in deciding whether what had been reproduced by an alleged infringer is a substantial part of the work allegedly infringed, one must regard the quality (that is to say the importance) rather than the quantity of the part reproduced (see *Ladbroke (football) Ltd v William Hill (football) Ltd* [1964] 1 WLR 273, per Lord Reid at p 276 and per Lord Pearce at p 293; but what is protected is the plaintiffs' 'artistic work'. If an 'artistic work' is designed to convey information, the importance of some part of it may fall to be judged by however, far it contributes to conveying that information, but not, in my opinion, by however, important the information may be which it conveys or helps to convey. What is protected is the skill and labour devoted to making the 'artistic work' itself, not the skill and labour devoted to developing some ideas or

invention communicated or depicted by the 'artistic work'. The protection afforded by copyright is not, in my judgment, any broader as counsel submitted, where the 'artistic work' embodies a novel or inventive idea than it is where it represents a commonplace object or theme.

Learned counsel for the appellant submitted that the criteria as to whether there has been substantial copying is whether what was copied is a substantial part of the work. Learned counsel for the appellants contended that the learned trial judge notwithstanding acknowledging the correctness of the judgment of the Singapore Court failed to take the pronouncements of the court into consideration in Her Ladyship's judgment.

[10] With reference to the subject of 'commonplace object or theme' in the judgment of the court in *Catnic Components Ltd v Hill and Smith Ltd* [1979] FSR 619 at pp 626–627 and cited with approval by the Singapore Court of Appeal in the case of *Flamelite (S) Pte Ltd & Ors v Lam Heng Chung & Ors*, learned counsel for the appellants cited the pronouncements of Justice Arnold in the case of *Robin George Le Strange Meakin v British Broadcasting Corporation & 2 Ors* [2010] EWHC 2065 (Ch) as authority for the proposition that when assessing whether there has been substantial copying, the court should disregard similarities in respect of matters that are entirely commonplace.

[11] To demonstrate the relevance of the above pronouncements of Justice Arnold to the facts of this appeal, learned counsel highlighted the following factors:

(a) spelling competitions have been in existence for a considerable period of time and the structure of the competitions are substantially similar. In other words, there is nothing novel behind the idea;

(b) the nature of the competition is such that it would be relevant only to schools and school going children. It has no relevance to adults;

(c) like any school competition (such as debates, talent contests, etc) there must be a structure like round robin levels up to the finals;

(d) again like all competitions, there will be judges to adjudicate the contests;

(e) there will also be a set of rules and regulations governing the competition; and

(f) like all school competitions, there would be prizes for the winners.

[12] According to learned counsel for the appellants, it is therefore hardly surprising that there should be similarities at the general level between the NST Spell It Right and RHB-NST version. For this reason, learned counsel for the appellants submitted that any similarity in the structure between the NST Spell It Right and the NST RHB Spell It Right at the general level should have been

disregarded by the learned trial judge when determining whether the appellants had substantially copied the NST Spell It Right. Another submission of learned counsel for the appellants was that the learned trial judge ought to have disregarded any similarities in 'basic functional matters' that any language competition should have to be viable. Learned counsel cited passages in the judgment of the Singapore Court of Appeal in the case of *Flamelite (S) Pte Ltd & Ors v Lam Heng Chung & Ors*, as authority for this proposition.

[13] The final submission of learned counsel for the appellants was that, in any event, if the learned trial judge had conducted a careful comparison of the NST Spell It Right and the RHB-NST Spell It Right, Her Ladyship would have discovered that material differences exist between the two programmes. Learned counsel for the appellants highlighted these differences to be as follows:

(a) the appellants RHB-NST concept is a spelling bee competition in which the students stand up and spell the word. The respondent's concept contemplates a spelling activity with oral and written test (see p 1460 of record of appeal, Vol 2(7) Part C);

(b) the appellants' concept provides for team participation whereas the respondent's concept is for individual participation (see p 1461 of record of appeal Vol 2(7) Part C);

(c) in the appellants' concept there are 15 episodes with the participation of 13 states, one recap episode and one national challenge. The respondent's concept, on the other hand, only provides for 13 episodes with nine weekly episodes, three monthly winner episodes and one grand final (see p 1463 of record of appeal, Vol 2(7) Part C); and

(d) in the NST-RHB Spell It Right competition, the contestants are divided into two categories and the two categories participate in the same season (one season per year). In the respondent's NST Spell It Right, what is envisaged is for the contestants to be divided into two categories and for them to participate separately in two separate seasons per year (see p 1463 of record of appeal, Vol 2(7) Part C).

[14] According to learned counsel for the appellants, these differences formed the subject matter of cross-examination of PW1, the author of the NST Spell It Right concept and PW1 conceded to the existence of these differences. Unfortunately, according to learned counsel for the appellants, there is no reference to either this admission or the significance of the admissions in any part of the learned trial judge's judgment. The following abstract of the evidence of PW1 was cited to us in support of this submission:

LTH:Now En. Kamar, having watched the whole show would you not agree

with me that the programme that they ran in 2008 was very different from the programme that was expressed in your concept paper. Do you agree?

KA: Yeah, there is a difference

(At p 188 of record of appeal, Vol 2(1) Part B)

LTH: In terms of even the structure of the competition relating to the participants isn't it true that the RHB-NST programme involved team participation whereas your concept involved individual participation. So that's also a very significant difference. Do you accept that?

KA: Yes, yes.

LTH: Now as far as the NST or RHB-NST programme is concerned, the winners of the 13 state challenges will compete in the final national challenge. That's the RHB, the winners is the 13 states will compete in the national finals whereas in your concept the winners of each level will move on to the next level the audition level weekly, monthly and the n the grand final?

KA: Yeah.

LTH: So therefore I put it to you that the RHB-NST spelling competition was not copied from the original concept paper that you said you prepared. Do you agree with me?

KA: Yes

(At pp 189–190 of record of appeal, Vol 2(1) Part B)

[15] According to learned counsel for the appellants, Her Ladyship instead of referring to the table prepared him highlighting the differences in the structure, instead referred to the table prepared by the respondent purportedly showing the similarities in both concepts (see para 69 at pp 99–107 of the record of appeal Vol 1 Part A).

[16] With reference to the cause of action based on breach of confidential information, learned counsel for the appellants with reference to the following passage:

> … Now, the tort of breach of confidence requires more than merely an agreement by the recipient of an information that the information should be kept confidential. The law looks at the nature of the information itself. The law does not protect just any information: the information must be of a nature that the courts, through judicial precedents, have always recognised its confidentiality and has accorded it judicial protection; for example, trade secrets; or information of sexual relationship between spouses; or information between a profesional (a doctor, for instance) and his client. In *Clerk and Lindsell on Torts* (17th Ed), at p 1422, para 26–10) the learned author states:
>
> The disclosure of information will only be restrained if it has the necessary quality of confidence about it.

> In order for the Court to make an evaluation on the quality of the information sought to be protected, the Court would have to consider, among others, the reason as to why the person communicating the information (that is to say, the Plaintiff) wants the person to whom the information is communicated (that is to say, the defendant) to keep the information confidential.

in the judgment of the High Court in the case of *Dato' Vijay Kumar Natarajan v Choy Kok Mun* [2010] 7 MLJ 215 (tab G) submitted that there was no quality of confidence attached to the information furnished by the respondent to the appellant to justify judicial protection. In support of this submission, learned counsel referred to the evidence of PW1 in cross-examination wherein the witness admitted that he had adopted the Scripps programme:

> LTH: Encik Kamar, so you said that you looked at the American spelling bee competition concept and then you formulated your idea on similar lines. Is that correct?
>
> KA: Correct.
>
> LTH: Now if the American spelling bee concept which is a spelling competition is available on the internet, would you agree with me if I say this to you that this sort of concept is in the public domain and not private and confidential. Would you agree with me?
>
> KA: Yes. For that programme per se yes
>
> (Page 174 of the record of appeal, Vol 2(1) Part B)

THE RESPONDENT'S CASE

[17] The thrust of the submission of learned counsel for the respondent was that the NST Spell It Right has gone well beyond an idea and that considerable skill and effort had gone into the formulation of the concept leading to the registration of it as a trademark. The objective behind the concept being to develop, command and market the English language amongst Malaysians, particularly students in primary and secondary schools. Learned counsel for the respondent claimed that the second appellant after having agreed to be the exclusive media broadcaster of the competition, to the shock and dismay of the respondent, introduced the RHB-NST Spell It Right competition in conjunction with RHB without the knowledge or consent of the respondent. Learned counsel for the respondent conceded that an idea alone cannot be protected under the copyright laws of the country. However, learned counsel contended that the fact that the concept behind the NST Spell It Right is neither novel nor original and can be considered generic does not preclude the respondent from enforcing its right for breach of copyright since much skill and labour had been applied in the formulation of the concept.

[18] Learned counsel for the respondent then proceeded to strongly refute

the submission on behalf of the appellants that the structure of the NST Spell It Right is commonplace. According to learned counsel, this could not be the case since the concept included amongst others the format, mechanics of the contest rules, guidelines, marketing and promotional activities. Learned counsel for the appellants also argued that the effect of the statutory declaration affirmed by the directors of the respondent is that it affords prima facie evidence of the facts contained therein ie the entitlement of the NST Spell It Right to copyright protection. The cases of *Elster Metering Ltd & Anor v Damini Corp Sdn Bhd & Anor* [2011] 8 MLJ 253 (Tab 10) at pp 260–262 (Tab 11 RBOA), *Microsoft Corporation v Yong Wai Hong* [2008] 3 MLJ 309 (Tab 12 RBOA), *Fraser and others v Thames Television Ltd and others* [1984] 1 QB 44 (Tab 13 RBOA) and *Green v Broadcasting Corporation of New Zealand* [1989] RPC 469 (Tab 14 RBOA) were cited in support of this proposition. According to counsel, so long as it is acknowledged that the respondent is the author of the concept: that ownership of the concept lies with the respondent, then, pursuant to the s 42 of the Copyright Act, the respondents is deemed to be entitled to the copyright particularly since the existence of the copyright was not challenged by the appellants.

[19] As regards the parting of the information in confidence, learned counsel for the respondent contended that the competition concept was conveyed to the first appellant in confidence and that the first appellant, at all material times, was aware and had known of this matter. In support of this, we were referred to p 1201 Part C Vol 2(6) ROA, where the respondent's concept paper/presentation expressly states that:

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>
> Copyright (c) Admal Sdn Bhd
>
> Allrights reserved 2005

Learned counsel then proceeded to submit that so long as the communication of any information has been made in confidence, the recipient of the information is under an obligation not to use the information without the maker's permission provided that the idea was original, clearly identifiable and of potential commercial value.

DECISION OF THE COURT

[20] The learned trial judge identified the two issues for determination to be:

(a) whether the respondent is the owner of the 'NST-Spell It Right' Concept Paper for the linguistic competition; and

(b) whether the 'RHB-NST Spell It Right' Concept Paper is substantively similar to NST Spell It Right concept.

With respect, we are unable to agree with the learned trial judge that the first issue concerning the NST Spell It Right concept is one of ownership only. In our judgment, a more critical issue is whether the concept behind the NST Spell It Right is eligible for copyright protection. On this issue, it is common ground that what s 7 of the Copyright Act seeks to protect is not ideas but ideas which have been converted, inter alia, to literary or artistic work by reason of the application of sufficient work to make the ensuing product original in character. In this respect, we adopt the pronouncements of Justice Abdul Malik Ishak (as he then was) in *Kiwi Brands (M) Sdn Bhd v Multiview Enterprises Sdn Bhd* [1998] 6 MLJ 38; [1998] 2 CLJ Supp 194 (Tab C) that:

(a) the originality which is required relates to the expression of thought and the work should not be copied from another work but rather should originate from the author; and

(b) a compilation of information is copyrightable although the information is not original.

[21] In our judgment, what is relevant from the above passage in the judgment of His Lordship is that in cases such as the present where the basis for the claim for copyright involves the mere compilation of information, it is necessary for the applicant to demonstrate that the end product does contain novel features originating from the respondent. This is to prevent copying of an existing concept enjoying copyright protection. We consider this principle of law to be important on the facts of this case because it is common ground that all that the respondent did in this case was really to compile information from various sources including from American Spelling Bee Competition. This was unreservedly confirmed by PW2 and PW3 themselves. By this we are not suggesting that compilation of information cannot result in a concept obtaining copyright protection. However, a distinction has to be drawn between what is capable of obtaining protection as opposed to what is entitled to protection.

[22] In this case, we are not persuaded that the NST Spell It Right although capable of securing copyright is entitled to such protection since it is nothing more than the mere compilation of already existing information widely available in the public sphere. It is not in dispute that the NST Spell It Right concept is really a compilation of rules and regulations to regulate the holding of a spelling competition and such competitions have been around for ages. Indeed, in this case, the respondent readily admitted to having copied the idea and concept behind the NST Spell It Right from the American Spelling Bee Competition. This was unreservedly confirmed by PW2 and PW3 themselves. In the face of this admission, in our opinion, it was necessary for the respondent to demonstrate what features were the result of its efforts so as to satisfy the originality test pronounced by Justice Abdul Malik Ishak in *Kiwi Brands (M)*

Sdn Bhd v Multiview Enterprises Sdn Bhd. With respect, we are unable to discover anything novel or original in the concept behind the NST Spell It Right beyond that already available in the public domain. Indeed, the learned trial judge seems to have implicitly recognised this to be the case as evidenced by Her Ladyship's statement in para 35 of Her Ladyship's judgment that:

> It is not a disputed fact that parties actually tried to initially adopt the 'American Spelling Bee' competition. And, when that failed, a 'Malaysianised' competition was then formulated. The plaintiff contended that it was the one who came up with the format, conceptualised it and documented it as the concept Pelan.

However in para 62 of Her Ladyship's judgment, Her Ladyship stated that:

> I have perused the plaintiff's concept paper and in my view it is original within the context of s 7(3) of the Act since sufficient effort, skill and judgment must has been put on to the concept paper.

without, with respect, any pronouncements as to which aspects of the NST Spell It Right had been copied from American Spelling Bee and which portions were considered novel due to the efforts of the respondent. With respect, in our judgment, Her Ladyship in resolving this issue in favour of the respondent was unduly influenced by the fact that it was the respondent who had coined the title and who owned the copyright due to the statutory declaration.

[23] In our judgment, apart from the absence of any originality behind the concept of NST Spell It Right, the learned trial judge failed to take into account the 'functional object' behind competitions of this nature. The meaning and relevance of 'functional object' in determining infringement of copyright was put this way in the case of *Flamelite (S) Pte Ltd & Ors v Lam Heng Chung & Ors*:

> To answer this question the whole of the work must be considered and in this exercise the originality and simplicity of the plan and its functional object must be borne in mind (para 40)
>
> In *Catnic Components v Hill & Smith* the question was whether certain steel lintels manufactured by the defendants were copies of drawings of the Plaintiffs and infringed the copyright in those drawings. The court found that the dimensional similarities between the defendant's lintels and the plaintiff's drawings were due to the functions which the lintels were designed to perform and the normal dimensions of material used in the building of walls (para 43).
>
> Reverting to the instant case not only is there little originality in the copyright works, they are in fact simple and obvious, *bearing in mind the functional object to which they relate.* (Emphasis added.)

[24] Applying the principles of law governing the 'functional object' test to the concept behind the NST Spell It Right, we are inclined to agree with the

written submission of learned counsel for the appellant that the concept is not eligible for copyright because:

(a) the concept contains features which relate to the very function of any competition to be held among students residing and schooling in different parts of the country. The fact that this concept concerns a spelling competition does not per se give rise to any originality since every competition of this nature must necessarily involve similar rules and regulations with minor variations;

(b) the information in relation to a spelling competition is common knowledge since apart from being available in the public domain, competitions are frequently organised by social clubs such as rotary and the competition is usually organised among schools within the district. The need to alter some features of the competition to accommodate the fact that this is a spelling competition and involves the whole country, with respect, does not detract from the fact that this is a common event and the rules and regulations governing it fairly commonplace;

(c) the nature of the competition is such that like any school competition (such as debates, talent contests, etc) there must be a structure like round robin levels up to the finals. Again like all competitions, there will be judges to adjudicate the contests. There will also be a set of rules and regulations governing the competition; and like all school competitions, there would be prizes for the winners; and

(d) it is common ground that spelling competitions have been held and continue to be held throughout the world and the concept of the competition is freely available on television and the internet. Indeed, PW3 readily admitted this to be the case and the learned trial judge acknowledged this fact.

[25] In our judgment, even if we are wrong in our ruling that the concept behind NST Spell It Right is not eligible for copyright protection due to its simplicity, the learned trial judge erred in ruling that the appellants had copied the NST Spell It Right concept. We opine to this effect because it is common ground that in determining whether there has been copying, it is not the amount of copying that is relevant but the quality of the copying. In other words, there must be substantial copying of the concept as opposed to plenty of copying. Additionally, in determining the extent of copying, a court of law is required to exclude any information which is commonplace. What is commonplace was defined by J Arnold as follows:

> Furthermore, to the extent that there are similarities, generally speaking they are similarities in respect of matters which were entirely commonplace. For example, one of the matters that Mr Meakin relies upon is the use of premium rate phone lines. That, of course, was already well known by 2002, in particular as a result of the

massive success of Who Wants to be a Millionaire? Which was first broadcast in 1998. Likewise, the use of income from premium rate phone calls to fund, at least in part, the prize was something that was well established by that point in time. Similarly, Mr Meakin relies upon the fact that it was part of some his proposals to have a split between an initial programme and a results programme. Again, that is not something that was particularly novel at that point in time.

Of course I bear in mind that it is no answer to a claim for copyright infringement to say that what has been copied is not unique to the claimant. Nevertheless, in considering whether there are similarities which support the inference of copying, the fact that the similarities not only exist only at a high level of generality, but also are shared by works which preceded the copyright works relied upon, is a material factor to take into account.

[26] In our judgment, applying the test propounded by Justice Arnold to the facts of this case, the similarities in the features appearing in both the NST Spell It Right and the RHB-NST Spell It Right are to be expected since every competition for school children must necessarily incorporate these very same features. The rationale being that these features are common to all competitions of this nature. Additionally, according to this test, to the extent competitions of a similar nature have long preceded this particular competition, the inclusion of the common features cannot amount to copying. That the learned trial judge failed to apply the test propounded by Justice Arnold is evident from Her Ladyship's pronouncements in paras 72–73 of the judgment:

72. Thus, the question to be considered is whether the defendants reproduced a substantial part of the plaintiff's concept paper in the defendant's programme. The existence of dissimilarities does not necessarily mean that there is no infringement or that they destroy the notion of copying (see *Beazley Homes v Arrowmith* [1978] 1 NZLR 394). The question in each instance is whether the defendants have incorporated into their plans a substantial proportion of the plaintiff's concept paper. To answer this question, the whole of the work must be considered, (see *Flamelite (S) Pte Ltd and others v Lam Heng Chung and others* [2001] SGCA 75).

73. In this regard, I have examined both the plaintiff's concept paper and the first defendant's concept 'RHB-NST Spell It Right' linguistic competition. In relation to this, *in my view the defendants' concept of 'RHB-NST Spell It Right' competition adopted substantively the same idea as the plaintiff's concept paper.* (Emphasis added.)

With respect, it is evident from the words in italics that Her Ladyship's finding of copyright infringement on the part of the appellant was in the ultimate analysis based on the copying of the idea rather than the expression of the idea contained in the two programmes. That Her Ladyship did not apply either the 'functional object' test or exclude similarities which were 'common place' is evident from the factors which Her Ladyship took into account when

comparing for similar features in the two programmes. For instance, in para 74 of Her Ladyship's judgment, the similarities in the two programmes, according to Her Ladyship were these:

> 74. In this regard I accept the plaintiff's submission that the concept of the competition produced by the defendants and that as produced by the plaintiff are similar in the following aspect:
>
> (i) The target contestants are students;
>
> (ii) The competitions will be held at several locations;
>
> (iii) The competitions will be recorded for purposes of broadcasting on television;
>
> (iv) The competitions will be organised in the form of a series as distinct from one-off event;
>
> (v) The competitions uses British English, ie to promote the use, literacy and proficiency of the language;
>
> (vi) The competitions will be organised like a tournament, where the winners will proceed further in the competition culminating in a grand finale to create a competitive atmosphere and sustain viewer interest;
>
> (vii) Both competitions will be judged and administered by professionals;
>
> (viii) Both competitions are designed to achieve maximum coverage and reach through the press;
>
> (ix) And, finally, like any competition, there would be incentives for the winners.

[27] With respect, in our judgment, clearly a great number of similarities in the features set out above, are in respect of general matters which ought to have been excluded under the 'functional object' or 'commonplace' test. Additionally, the learned trial judge totally disregarded the contributions of the appellants in the formulation of the 'NST Spell It Right' concept, a fact which was admitted by the respondents own witnesses. Neither did Her Ladyship evaluate the differences in the two concepts highlighted in para 13 of this judgment. In our judgment, if the learned trial judge had taken these factors into account, then, Her Ladyship would have in all probability ruled in favour of the appellants. We have not dealt extensively with the respondents' claim for breach of confidence since it follows from our ruling, that the concept behind the NST Spell It Right being simple and commonplace, that the concept does not enjoy the necessary quality of confidence to justify judicial protection.

[28] As the errors in the judgment of Her Ladyship go to the root of the judgment of the High Court, we are constrained to set aside the judgment of the High Court. Accordingly, we allowed this appeal and set aside the order of

A the High Court and ordered the respondent to pay costs of RM40,000 to the appellants as costs here and below. We ordered the deposit to be refunded to the appellant.

Appeal allowed with costs of RM40,000.

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Reported by Kohila Nesan

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